

**August 17, 2010**

*Loan Allows Lumber Business Devistated by Fire to Re-Open and Saves 21 Jobs*

**WASHINGTON, DC** - Today, U.S. Rep. Michael Arcuri (NY-24) announced that McDonough Hardwoods, Inc. in Vernon Center, NY will receive two loans totaling \$2,201,746 from the U.S. Department of Agriculture (USDA) Rural Development's Business and Industry Guaranteed Loan Program. These funds, made available through the American Recovery and Reinvestment Act (Recovery Bill), are part of an ongoing commitment to ensure that rural communities attract capital investments that lead to business development and job creation.

"In these tough economic times, many businesses are unable to access the financing they need for renovations or to simply keep their operations running because many banks are either unwilling or unable to lend," **Arcuri said**, "Loans like this help rural communities renovate facilities and embark on new expansions-helping grow the local business sector and creating jobs."

These \$1,498,700 and \$703,000 USDA loans will be used to rebuild the buildings that housed the sawmill and lumberyard and replace equipment destroyed during an August 2008 fire.

McDonough Lumber Co. was a saw mill logging company in business for over 25 years. At its peak, it had over 6 million dollars in sales, and over 20 employees. On August 11, 2008, a fire shut down the operation, putting an abrupt end to business. The McDonough Lumber Co. family business has since been restructured as McDonough Hardwoods, Inc., now solely owned by the applicant. For the last 20 months the applicant has continued to pay his 21 employees out of his pocket rather than lose valuable trained sawyers and yardmen. During that time, they have cleaned the site of the fire, refurbished all salvageable equipment and machines, and reinvested in additional equipment to keep the business operational.

The business provides a market for land owners and tree farmers in the surrounding area while supporting businesses such as trucking companies, local mechanics and retail and service entities in the area. Without the loan, the business would not re-open and 21 well-paying jobs

would be lost in a community of less than 300.

USDA Rural Development's Business and Industry Guaranteed Loan Program received \$1.57 billion to help rural businesses stimulate their economies and support their communities. Eligible applicants include private businesses, cooperative organizations, corporations, partnerships, non-profit groups, Federally-recognized Indian tribes, public bodies and individuals. The funds are targeted to create and retain quality jobs and serve difficult-to-reach populations and areas hardest hit by the current economic downturn.

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